



Concept Note for LDC-5 Side Event

Financial Transformations: Elevating LDC Voice and Action

Time:	March 7, 2023, 17:15 - 18:45
Location:	Exhibition Hall 2 B, Qatar National Convention Centre
Organizer:	United Nation Foundation
Focal Point:	Julie Kofoed, Senior Director, Sustainable Development Initiative, United Nations Foundation, (jkofoed@unfoundation.org); +1 (646) 510-1247

Objective

The United Nation Foundation (UNF) is organizing a side event “*Financial Transformations: Elevating LDC Voice and Action*” as part of the Fifth United Nations Conference on the Least Developed Countries (LDC5). The side event will provide a platform for LDCs and partners to discuss priorities in addressing the critical financing gaps faced by the most vulnerable countries in delivering on their national development plans and achieving the Sustainable Development Goals (SDGs). It will provide an opportunity to align on and advance specific views, asks and demands of the LDCs in the context of the ongoing conversations on reform of the international financial architecture, ensuring that the voices of the LDCs are not left behind.

Overview

The economic turmoil from COVID-19 compounded by conflict and climate crisis, has reversed progress on the Sustainable Development Goals (SDGs), primarily affecting developing countries. The yearly funding gap for the SDGs is estimated at USD 4.3 trillion¹, further creating an enormous financial divide for the LDCs. In recent years, calls to reform the international financial architecture to support developing countries with post-COVID recovery, address vulnerabilities and build resilient systems, has grown. The adoption of the Paris Agreement, the

¹ International Institute for Sustainable Development (IISD). (2022). CEOs Explore Solutions to Bridge Annual USD 4.3 Trillion SDG Financing Gap.

2030 Agenda for Sustainable Development and the SDGs as well as the Addis Ababa Action Agenda on Financing for Development provide a foundation for reforming the international financial architecture and for a better integration of the financing needed to achieve the SDGs. Concrete and promising reform proposals have emerged, including the G20 Capital Adequacy Framework, the World Bank's evolution roadmap and the Bridgetown Initiative. However, in order to ensure that such reforms are inclusive it is critical to include the voices and perspectives of those at risk of being left behind, including the LDCs. In turn, the current moment presents an opportunity for LDCs and partners to coordinate, consolidate and advocate for a set of priority to address critical systemic financing shortcomings and gaps. In this context, the Doha Programme of Action (DPoA) provides a comprehensive framework aligned in actions and outcomes with the 2030 Sustainable Development Agenda supporting the LDCs in achieving the SDGs while urging the international community to fulfill its existing commitments to closing funding gaps to support the LDCs in achieving the SDGs.

Background

An anticipated 60 percent of LDCs and other LICs are now assessed to be at high risk of debt distress or in debt distress by the IMF/World Bank Debt Sustainability Framework². The COVID-19 pandemic has exacerbated the increase in the percentage of LDCs export earnings in servicing external debts - funds which could have otherwise been spent on development outcomes - as debt service jumped from roughly 5% to 13% of LDC exports from 2011 to 2019³. These high debt risk countries are in the greatest need for financing to get back on track for the 2030 agenda. Over 95% of credit rating downgrades have been borne by the developing countries⁴ which will significantly impact their cost of borrowing. While the countries have been faced with high financial risk the resources going into LDCs are, similarly, not enough. The ODA target level of 0.7% of the gross national income of donor countries has not been reached.

² Inter-agency Task Force on Financing for Development. (2022). Debt and debt sustainability. *Financing for Sustainable Development Report 2022*. United Nations.

³ UNCTAD. (2022). Soaring debt burdens jeopardizes recovery of least developed countries. United Nations.

⁴ UN DESA Policy Brief No. 131: (2022). Credit rating agencies and sovereign debt: Four proposals to support achievements of the SDGs. United Nations.

Therefore, the current economic scenario and large funding gaps have been eroding the capacity and ability of LDCs to invest in economic recovery, building resilient systems, and achieving long-term sustainability.

Tentative Agenda

Time	Intervention	Notes/Requirement
17:15 to 17:20	<i>Welcome and introduction to panel and speakers</i> <ul style="list-style-type: none"> ● Ms. Sofia Borges, Senior Vice President and Head of the New York Office 	5 minutes for the moderator
17:20 to 17:30	<i>Keynote address</i> <ul style="list-style-type: none"> ● Ms. Annalisa Prizzon, Principal Research Fellow, ODI and Member of the UN Committee for Development Policy (TBC) 	10 minutes for keynote address
17:25 to 18:05	<i>Panel discussion by each speaker</i> <ul style="list-style-type: none"> ● Mr. Glenn Hodes, Inter-Regional Advisor, SDG Investment, Financing for Sustainable Development Office, UN DESA ● H.E. Mrs. Agnes Mary Chimbiri Molande, Permanent Representative of Malawi to the UN (TBC) ● H.E. Mr. Amrit Bahadur Rai, Permanent Representative of Nepal to the UN ● Mr. Palash Kanti Das, Director, Ultra-Poor Graduation, BRAC ● Ms. Inés Yabar, Lead Next Generation Fellow, 	10 minute per speaker

	United Nations Foundation	
18:05 to 18:35	Audience Q & A	
18:35 to 18:45	Wrap up session - closing remarks from Panelist and Summary of Moderator	

Format

The side event will start with a short introductory remark and a keynote address. This will be followed by a panel discussion that will provide an overview of the scenario and aim to drive the discussion on demands of the LDCs in the context of the ongoing conversations on reform of the international financial architecture. Each panel will be allocated **5-7 minutes** and the entire discussion will run for **approximately 40-45 minutes**. Thereafter, the moderator will facilitate a Q & A session between the panelist and the audience for **approximately 30 minutes**. The side event will be in person only and will have no translation.